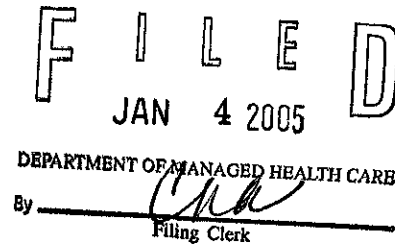


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4 CALIFORNIA DEPARTMENT OF  
MANAGED HEALTH CARE  
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8 Attorneys for Complainant



9  
10 BEFORE THE DEPARTMENT OF MANAGED HEALTH CARE  
11 OF THE STATE OF CALIFORNIA

12 IN THE MATTER OF:	} DMHC No.: 04-265 } OAH No.: } ORDER TEMPORARILY SUSPENDING } CEASE & DESIST ORDER AND } IMPOSING LICENSING } REQUIREMENTS AND CONDITIONS
13 PLATINUM HEALTH PLUS, LLC	
14	
15 Respondent.	

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19 **TO: PLATINUM HEALTH PLUS, LLC**

20 The Director of the Department of Managed Health Care, by and through her  
21 designee, Assistant Deputy Director Amy L. Dobberteen, makes the following **ORDER**  
22 based on Respondent's cessation of advertising in California in compliance with the Cease  
23 and Desist Order issued on September 22, 2004, and on Respondent's representations,  
24 through counsel, of its commitment to utilize only those advertising and telephone marketing  
25 scripts that are approved by the Department, to cease selling insurance products in  
26 connection with discount health cards and to seek licensure by the Department.

27 **IT IS HEREBY ORDERED:**

28 The Department hereby temporarily suspends enforcement of its Cease & Desist

1 Order issued against Respondent on September 22, 2004, subject to Respondent's  
2 compliance with the following requirements and conditions:

3 1. Respondent shall:

4 A. File an application for licensure under the Knox-Keene Health Care  
5 Service Plan Act of 1975, Health & Safety Code sections 1340 *et seq.*,  
6 in accordance with the following time frame:

- 7 1. On or before January 31, 2005 schedule and complete the  
8 Department's electronic filing training course;
- 9 2. On or before February 28, 2005, complete the Department's  
10 electronic filing certification process;
- 11 3. On or before March 31, 2005, file an application for licensure,  
12 which demonstrates compliance with all requirements of the  
13 Knox-Keene Act or, as may be applicable, meets the requisite  
14 burden of proof for exemption or waiver pursuant to Health and  
15 Safety Code Sections 1343(b) and 1343.5; and
- 16 4. Demonstrate efforts, satisfactory to the Department, to resolve all  
17 compliance concerns identified by the Department in the license  
18 application, and make reasonable progress to the satisfaction of  
19 the Department to complete the license application process by  
20 July 31, 2005.

21 B. Implement immediately the following:

- 22 1. Operational changes necessary and sufficient for full compliance  
23 with the requirements of Health and Safety Code Sections 1360,  
24 1360.1, 1361, 1365(a), 1365.5, 1366, 1367 (a), (b), (c), (d),  
25 (e)(1), (f), (g) and (h)(1); 1368.02(b), 1373(a), 1379, 1381,  
26 1384(a), (d) and (f); 1385 and 1395 of the Knox-Keene Act;
- 27 2. Revisions to Respondent's Member Guide, entitled Manual de  
28 Miembro, necessary and sufficient for full compliance with the

requirements of Health and Safety Code Sections 1363 and 1363.1 and California Code of Regulations, title 28, sections 1300.63, 1300.63.1, 1300.63.2 and 1300.67.4, as applicable;

3. Establish a grievance system in compliance with Health and Safety Code Sections 1368 and 1368.01, and California Code of Regulations, title 28, section 1300.68;
4. Distribute a supplement to the Member Guide disclosing the grievance process; and
5. Submit to the Department monthly a report of all grievances and complaints by California members, including the reason for each complaint and the disposition of each.

C. In the alternative to performing conditions A and B above, Respondent may choose to submit immediately information and documentation confirming that it has altered its business operations sufficiently and as necessary to bring Respondent's operations within the scope of the Director's Opinion 01/1, commonly referred to as the Zingale Opinion.

D. Submit for the Department's prior review and approval, in Spanish and in English, any and all advertising and marketing materials to be used in connection with the sale of discount health cards.

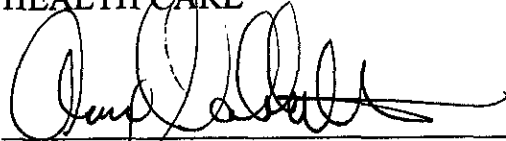
E. Cease and desist the sale of Accidental Death and Dismemberment and Accident insurance in connection with the sale of discount health cards.

2. The Department may extend the time during which Respondent may do any act enumerated herein if it is satisfied that Respondent is making reasonable progress, but this provision shall not create any expectation that time will be extended, nor shall the fact that the Department extends time once create any expectation that it will do so again.
3. The failure of any condition will result in automatic termination of this suspension, reinstatement of the suspended Cease & Desist Order, and

1                    resumption of the Department's administrative action against Respondent.  
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3     Dated: January 4, 2005

DEPARTMENT OF MANAGED  
HEALTH CARE

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6                    AMY L. DOBBERTEEN  
7                    Assistant Deputy Director  
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